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Stock Market & Company

Stocks rise for fourth day

The Daily Star, January 05, 2022

- Dhaka stocks went up yesterday as investors continued pouring in their funds, putting their bet on hopes that the Omicron variant of Covid-19 would not be as threatening as many had previously thought. The DSEX, the benchmark index of Dhaka Stock Exchange (DSE), rose 10 points, or 0.15 per cent, to 6,892. This is fourth consecutive rise of the index through which it gained 161 points in total.
- At the DSE, 167 stocks advanced, 180 fell and 31 remained the same. Meghna Life Insurance Company topped the gainers' list, rising 10 per cent, followed by Fareast Islami Life Insurance Company, Rupali Life Insurance, Bangladesh Shipping Corporation, and Taufika Foods and Lovello Ice-cream.
- ICB AMCL Third NRB Mutual Fund shed the most, dropping 5.40 per cent, followed by Shepherd Industries, Sonargaon Textiles, Hamid Fabrics and Hwa Well Textiles.
- Beximco stocks were traded the most, worth Tk 106 crore, followed by Bangladesh Shipping Corporation, Fortune Shoes, Active Fine Chemicals, and Taufika Foods and Lovello Ice-cream.
- Turnover, an important indicator of the market, fell 10 per cent to Tk 1,182 crore. Chittagong Stock Exchange (CSE), however, dropped. The CASPI, the main index of the port city bourse edged down 3 points, or 0.01 per cent, to 20,154.
- Among 292 stocks to undergo trade, 130 rose, 128 fell and 34 remained unchanged. Among the sectors, life insurance went up 3.5 per cent, cement 2.3 per cent and IT 1.1 per cent whereas travel fell 2 per cent, miscellaneous 1.1 per cent and food & allied 0.6 per cent.

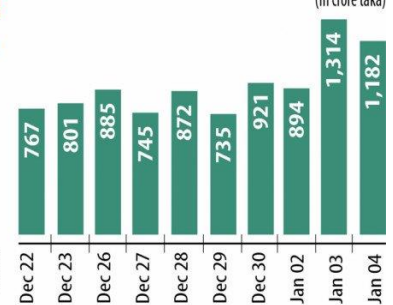
Movement of DSEX

(In points) SOURCE: DSE



DSE turnover

(In crore taka)



<https://www.thedailystar.net/business/economy/stock/news/stocks-rise-fourth-day-2932656>

Shahjalal Islami Bank sponsor keeps repaying loans with shares

The Business Standard, January 04, 2022

- The Dhaka Stock Exchange (DSE) has approved a plan for off-platform transfer of 24.5 lakh Shahjalal Islami Bank shares from the account of the bank's sponsor Mohammed Hasan to the Mercantile Bank Ltd, which lent him money.
- Earlier, in June 2021, the bourse approved a transfer of 49 lakh Shahjalal Islami Bank shares from the same sponsor's account to the Mercantile Bank. A director of the bank said Mohammed Hasan has been settling his bank liabilities since the 2017-18 fiscal year by giving away the sponsor shares in trenches.
- Hasan, a successful businessman and a sponsor of the Shariah-compliant bank, has been suffering from chronic illness that has left him bedridden for years. Neither Hasan nor his heirs were able to maintain his businesses that included perfumes, healthcare facilities and other products, so his bank loans defaulted, said a director of the bank on condition of anonymity.
- The miserable condition of Mohammed Hasan came into discussion in 2017 when the DSE suddenly found that out of his 2.32 crore Shahjalal Islami Bank shares, 56 lakh were sold off without any prior announcement, which is required when a listed company's sponsor or director wants to buy or sell shares.

<https://www.tbsnews.net/economy/stocks/shahjalal-islami-bank-sponsor-keeps-repaying-loans-shares-353206>

Corporate sponsor sells 25 lakh shares of BBS Cables

The Business Standard, January 04, 2022

- The Bangladesh Building Systems Ltd, a corporate director of BBS Cables Ltd, has completed the sales of 25 lakh shares of BBS Cables at the prevailing market price, said the Dhaka Stock Exchange (DSE). The corporate director, which itself is a listed company founded by the same entrepreneurs, used to hold 3.09 crore BBS Cables shares prior to the sales in the block market of the DSE.
- In contrast, the regular trading platform is a public market where buyer-sellers do not know each other and the price is determined based on the market demand and supply.
- BBS Cables announced to give 10% cash and 5% stock dividends for the 2020-21 fiscal year. Its shares closed 1.1% lower at Tk56.1 each on Tuesday in the DSE.

<https://www.tbsnews.net/economy/stocks/corporate-sponsor-sells-25-lakh-shares-bbs-cables-353191>

Tax receipts from DSE jump 65pc in July-Dec

The Financial Express, January 04, 2021

- The government revenue earnings from the Dhaka bourse surged by 65 per cent in July-December 2021 compared to the same period a year earlier backed by rising trading volume.
- The country's capital market had a good year in 2021 as the core index of the DSE posted an impressive 25 per cent growth. The daily turnover also jumped to Tk 14.75 billion on an average in 2021, which was Tk 6.49 billion in 2020.
- Accordingly, the government bagged revenue worth Tk 2,389 million in July-December 2021, as against Tk 1,451 million in the same period of the previous year, showing a 65 per cent growth, according to statistics with the DSE.
- Of the total earnings in July-December 2021, Tk 2022 million came from the TREC holders' commission, popularly known as brokerage commission, while Tk 367 million came from the share sales by sponsor-directors and placement holders during the period under review, the DSE data shows.

REVENUE EARNINGS TREND FROM DSE			
Fiscal Year (FY) 2021-22		Fiscal Year (FY) 2020-21	
July	Tk 289 million	July	Tk 188 million
August	Tk 502 million	August	Tk 246 million
September	Tk 520 million	September	Tk 275 million
October	Tk 407 million	October	Tk 216 million
November	Tk 342 million	November	Tk 183 million
December	Tk 329 million	December	Tk 343 million
Total	Tk 2389 million	Total	Tk 1451 million

Source: DSE

- In July-December 2020, Tk 1,029 million came from the TREC holders' commission while Tk 422 million came from the share sales by sponsor-directors and placement holders. The government earned the amount on TREC (trading right entitlement certificate) holders' commission and share sales by sponsor-directors and placement holders.
- The DSE paid tax worth Tk 2.72 billion in FY2011-12, Tk 1.27 billion in FY2012-13, Tk 1.54 billion in FY2013-14, Tk 1.74 billion in FY2014-15, Tk 1.58 billion in FY2015-16, Tk 2.46 billion in FY2016-17, Tk 2.33 billion in FY2017-18 and Tk 2.51 billion in FY2018-2019 on TREC holders' commission and share sales by sponsor-directors and placement holders.

<https://thefinancialexpress.com.bd/stock/tax-receipts-from-dse-jump-65pc-in-july-dec-1641270983>

DSE app download up 51pc in pandemic

The Daily Star, January 05, 2022

- Investors are apparently increasingly opting for executing trade through the Dhaka Stock Exchange (DSE) mobile app as its download has soared by around 51 per cent during the last two years amidst the coronavirus pandemic. At the end of 2021, it had been downloaded 77,064 times, up from 51,199 times on January 1, 2020.
- In other words, the app has been opened for use by 77,064 beneficiary owner (BO) accounts. The DSE launched the app on March 9, 2016 to bring ease to trading of stocks and give a boost to the market. The app was developed by FlexTrade Systems. Apart from executing purchase and sale orders, the app features real time display of market and trading statistics, company and portfolio status, company news and purchase and sale alerts.
- Due to the pandemic, many investors chose to conduct trade through the app staying back at home, so the figure could be inflated and not reflecting the real scenario, according to market analysts.
- Turnover through the app in 2021 reached Tk 42,681 crore, which was 12 per cent of the total turnover worth Tk 354,052 crore, according to the DSE data. There are some drawbacks that should be solved first, then use will soar and that is necessary, said Richard D' Rozario, president of the DSE Brokers Association of Bangladesh.

<https://www.thedailystar.net/business/organisation-news/news/dse-app-download-51pc-pandemic-2932636>

Economy & Industry

FBCCI proposes withdrawal of tax benefits for foreign investors

The Business Standard, January 03, 2021

- The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) has come up with a proposal to scrap fiscal incentives, such as tax exemption, offered to foreign investors, lenders and workers, to address the discrimination between local and foreign businesses.
- Instead, the apex trade body has suggested imposing normal direct tax, which they deem as the global best practice. But representatives of foreign investors say the FBCCI's proposal contradicts the government's ongoing efforts to bring in foreign direct investment (FDI). If the demand is met, FDI inflow will hit a snag.
- On the other hand, government policymakers opine that the government has given some benefits to bring in foreign investment at different times. Given the present reality, a decision about whether it is now required to continue such benefits or not can be taken.
- However, economists say there should not be any discrimination between local and foreign investors in tax and other fiscal benefits. It is also necessary to consider if the country is benefiting from FDI inflow by offering extra benefits.
- The FBCCI has formulated a report on measures needed to cope with possible challenges stemming from Bangladesh's graduation from the least developed country status. The report emphasises measures required to enhance investment for sustainable inclusive development.
- Citing eight specific areas of fiscal facilities that foreigners are currently enjoying, the FBCCI has made recommendations on what kinds of initiatives should be taken to ensure equal opportunities for both local and foreign businesses.

<https://www.tbsnews.net/economy/fbcci-proposes-withdrawal-tax-benefits-foreign-investors-353215>

International

Evergrande shares rise after day-long trading suspension

The Daily Star, January 05, 2021

- Shares in embattled Chinese property giant Evergrande rallied on Tuesday after a day-long suspension, as the company confirmed it had been ordered to demolish part of a resort in Hainan province.
- China's property firms have struggled in the wake of Beijing's drive to curb excessive debt in the real estate sector as well as rampant consumer speculation.
- Evergrande confirmed on Tuesday that it had received orders to tear down 39 buildings at the Ocean Flower Island development in the southern Chinese province. The decision came from authorities on December 30 and only affected one plot of land under development, the company said in an announcement to the Hong Kong stock exchange.
- "The company will actively communicate with the authority in accordance with the guidance of the decision letter and resolve the issue properly," the announcement read.
- The company's shares climbed as much as 10 per cent soon after opening for the afternoon session in Hong Kong before settling back to end 1.26 per cent up at HK\$1.61.

<https://www.thedailystar.net/business/global-economy/news/evergrande-shares-rise-after-day-long-trading-suspension>

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